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USDOC FOR 532/OEA/MHAMES/MCANNER
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR PATRICK SANTILLO
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: BMGT BEXP HK ETRD ETTC
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: UNIQUEST HONG
KONG

REF: A) BIS e-mail request dated May 15, 2009

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post shipment verification (PSV) at Uniquest Hong Kong, Suite 1201, Tower 1, China Hong Kong City, 33 Canton Road, Hong Kong (Uniquest). The items in question for this PSV are three shipments of programmable logic arrays exported to Uniquest on or about December 4, 2008, January 5, 2009 and February 2, 2009. These items are classified under export control classification number (ECCN) 3A001 and are controlled for national security (NS) reasons. The exporter was Altera Corporation of San Jose, California.

¶3. According to the Hong Kong Companies Registry, Uniquest is a Korean company registered in Hong Kong in 2001 with Won 6.5 million in share capital. Its directors are Korean nationals.

¶4. According to the company's web site (www.uniquest.co.kr), the company is a distributor of electronic components.

¶5. On June 2, 2009, ECO visited the company and met with Andrew Kim, Managing Director and Yoon Lee, Operations Manager. Both stated that they are American citizens. Mr. Kim noted that Uniquest is a Korean company that serves Korean companies (whether in Korea or at their manufacturing locations in China). Mr. Kim stated that the company operates from Hong Kong because, in this way, it is able to be paid in U.S. dollars by its Korean customers (something that is not possible in Korea, according to Mr. Kim). This allows the company to minimize its Won currency risk. Mr. Kim stated that his company does not deal in high reliability or military grade items. He characterized orders for these types of items as red flags.

¶6. As to the specific items in question, Messrs. Kim and Lee provided documentation confirming shipment of all of the items to various civil end users in Korea including LG Electronics, LG Panels, Centron Technology (a medical equipment manufacturer) and Comart System Co (a surveillance system manufacturer).

¶7. According to Mr. Kim, the company applies for many Hong Kong export licenses (Mr. Lee provided copies of all of the applicable licenses for the shipments in question) and he is quite familiar with BIS export control rules (noting that he was unable to sell to a known Korean customer, Britestone, while it was on the BIS General Order 3 list).

¶8. Based on the information noted above, ECO believes Uniquest to be a suitable recipient of controlled U.S. origin technology.